

Accounting Standards

- 1. Accounting Cycle – Complete the various steps of the accounting cycle and explain the purpose of each step.**
 - 1.1 Define accounting and explain the purpose of the accounting system
 - 1.2 Define the concept of generally accepted accounting principles
 - 1.3 Classify items as assets, liabilities, or owner's equity
 - 1.4 Describe the purposes of the revenue, expense, and drawing accounts and illustrate the effects on owner's equity
 - 1.5 Describe and prepare a variety of source documents
 - 1.6 Analyze business transactions using source documents and describe the effect on the accounting equation
 - 1.7 Explain the double-entry system of accounting and apply debit and credit rules when analyzing business transactions
 - 1.8 Journalize business transactions using various journal formats
 - 1.9 Explain the purpose of a journal and its relationship to the ledger
 - 1.10 Explain the purpose of a ledger account and post information from the journal to the ledger
 - 1.11 Prepare a trial balance and explain its uses and limitations
 - 1.12 Analyze the trial balance to determine the necessary adjustments to prepare financial statements
 - 1.13 Prepare and explain the purposes of each financial statement and describe the way they articulate with each other
 - 1.14 Explain the purposes of the closing process, journalize and post closing entries, and prepare a post-closing trial balance
 - 1.15 Use spreadsheet and accounting software to maintain accounting records and describe the differences between manual and computerized accounting systems
 - 1.16 Demonstrate an understanding of the fundamental accounting equation
- 2. Accounting Process – Determine the value of assets, liabilities, and owner's equity according to generally accepted accounting principles, explaining when and why they are used.**

Assets

- 2.1 Define and identify current and long-term assets and explain their impact on financial statements
- 2.2 Define cash, prepare bank reconciliation, establish and maintain petty cash and change accounts, identify cash control techniques, explain the benefits of electronic fund transfers, ATM transactions, and uses of a debit card
- 2.3 Create and maintain the accounts receivable subsidiary ledger, account for credit card sales, and apply appropriate accounting techniques for uncollectible accounts
- 2.4 Explain the purposes of notes receivable; establish and maintain accounts for receivables and related interest
- 2.5 Compare and evaluate inventory concepts and costing procedures and apply these concepts and procedures to merchandising and manufacturing businesses
- 2.6 Explain the purpose of depreciation
- 2.7 Calculate depreciation and apply appropriate accounting concepts and techniques for acquisition, depreciation, and disposal of property, plant, and equipment
- 2.8 Use spreadsheet or accounting software to maintain accounting records for short-term and long-term assets
- 2.9 Define short-term investments and describe the accounting concepts and techniques used to analyze and record transactions involving trading, available-for-sale, and held-to-maturity securities
- 2.10 Identify long-term investments that represent a significant degree of influence or controlling interest in another company

Liabilities

- 2.11 Define and identify current and long-term liabilities and explain their impact on financial statements
- 2.12 Create and maintain the accounts payable subsidiary ledger
- 2.13 Explain the purposes of notes payable; establish and maintain accounts for payables and related interest
- 2.14 Use spreadsheet or accounting software to maintain accounting records for short-term and long-term liabilities
- 2.14 Use appropriate accounting concepts and techniques to analyze and record mortgage and lease obligations and subsequent principal and interest payments
- 2.15 Explain and apply present value techniques to account for long-term obligations

Owner's Equity

- 2.16 Explain the purpose of the capital and drawing accounts for a sole proprietorship and partnership

3. Financial Statements – Prepare, interpret, and analyze financial statements using manual and computerized systems for service, merchandising, and manufacturing businesses.

Financial Statement Preparation and Analysis

- 3.1 Analyze the income statement and balance sheet of a business by comparing a vertical analysis with industry standards
- 3.2 Use a spreadsheet or accounting software to evaluate the impact of changes in operating procedures, accounting methods, and estimates on the financial statements and ratios
- 3.3 Use a spreadsheet or accounting software to prepare charts and graphs useful in analyzing the financial condition of the business
- 3.4 Explain the importance of high ethical standards in the preparation of financial statements
- 3.5 Explain the inherent limitation of the historical cost accounting model when interpreting financial statements prepared during periods of inflation or changing prices
- 3.6 Apply the revenue realization and matching principles in the preparation of income statements for service and merchandising businesses
- 3.7 Define discontinued operations, extraordinary items, and earnings per share; show how they are reported on the income statement

4 Special Applications – Apply appropriate accounting principles to various forms of ownership, payroll, income taxation, and managerial systems.

- 4.1 Explain the advantages and disadvantages of the three forms of business ownership – sole proprietorships, partnerships, and corporations
- 4.2 Apply appropriate accounting techniques for the formation, allocation of earnings, dissolution, and liquidation of a partnership
- 4.3 Prepare and maintain payroll records using manual and computerized systems
- 4.4 Calculate earnings at an hourly and piece rate and on a salary, commission, and salary/commission basis
- 4.5 Calculate deductions including federal income tax, Social Security, Medicare, state income tax, and other deduction to determine net pay
- 4.6 Calculate employer's payroll taxes including Social Security, Medicare, federal unemployment, state unemployment, other taxes, and other employee benefits paid by the employer

5 Interpretation and Use of Data – Use planning and control principles to evaluate the performance of an organization and apply differential analysis and present value concepts to make decisions.

- 5.1 Applying present value concepts to evaluate capital investment opportunities
- 5.2 Apply variable and absorption costing concepts to analyze profitability
- 5.3 Prepare master and flexible budgets and use them to evaluate performance

- 5.4 Evaluate company performance by applying standard costing and variance analysis
- 5.5 Apply responsible accounting concepts to evaluate cost, profit, and investment centers
- 5.6 Apply differential analysis to make the following types of decisions:
 - Making or buying a product
 - Leasing or buying an asset
 - Discontinuing a department , plant, or product
 - Offering discounted prices on special orders
 - Replacing or repairing equipment